



VIA ELECTRONIC DELIVERY

February 17, 2012

Admiral James Arden Barnett, Jr.
Chief, Public Safety & Homeland Security Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: 1st Quarterly Financial Report (Year Two) for Long-Term De Facto Transfer
Spectrum Leases
PS Docket No. 06-229**

Dear Admiral Barnett:

The Public Safety Spectrum Trust Corporation ("PSST") hereby submits its first quarterly report (year two) to the Public Safety & Homeland Security Bureau ("PSHSB") regarding the administrative fees collected and expended pursuant to the terms and conditions of the May 12, 2010 and November 18, 2011 Orders in the above-referenced proceeding.¹ This report contains information on the fees received and expenses recorded through December 31, 2011.

Year One Fees Received: In September 2010, the PSST submitted invoices to each waiver recipient in the amount of \$15,000 for the administrative fee for the first year of the lease, consistent with the PSST budget approved by the PSHSB.² The administrative fee payments were due by November 1. As of January 31, 2011, the PSST had received all twenty of the administrative fee payments due from entities that received a waiver in May 2010.

¹ Requests for Waiver of Various Petitioners to Allow the Establishment of 700 MHz Interoperable Public Safety Wireless Broadband Networks, Order, 25 FCC Rcd 5145 (2010); Requests for Waiver of Various Petitioners to Allow the Establishment of 700 MHz Interoperable Public Safety Wireless Broadband Networks, Order, 26 FCC Rcd 16021 (2011) ("Year Two Budget Order").

² Implementing a Nationwide, Broadband, Interoperable Public Safety Network in the 700 MHz Band, Order, 25 FCC Rcd 10813 (2010).

In addition, the State of Texas ("Texas") received a waiver from the PSHSB in May 2011³ and entered into a lease with the PSST in June 2011. In June 2011, the PSST submitted an invoice to Texas in the amount of \$15,000. In July 2011, the PSST received the administrative fee payment from Texas.

Year Two Fees Received: In November 2011, the PSST submitted invoices to each waiver recipient in the amount of \$13,000 for the administrative fee for the second year of the lease, consistent with the PSST budget approved by the PSHSB.⁴ The administrative fee payments were due January 7, 2012 (except for the payment from the State of Texas, which will be due June 17, 2012). As of December 31, 2011, the PSST had received administrative fee payments from two of the 21 waiver recipients.

Expenses: Attached is a summary of the PSST's expenses related to the administrative fee budget as of December 31, 2011.

Activities: During October-December 2011, the PSST engaged in numerous activities related to the administration of the 21 spectrum leases and the PSST's role as the spectrum lessor, including:

- Participating in telephone conversations, conference calls, and e-mail exchanges with the waiver recipients and their counsel, and with Commission staff, to address legal and administrative questions related to the May 12 Order, Standard Lease, and additional Commission and PSHSB releases related to current and potential future waiver recipients;
- Participating in ongoing conference calls with the waiver recipients through the PSST Operator Advisory Committee;
- Consulting with lessees regarding their quarterly reports;
- Responding to PSHSB questions regarding the proposed budget for the PSST's administration of the spectrum leases during the second year of the lease term;
- Reviewing the PSHSB's Order approving the budget for the PSST's administration of the spectrum leases during the second year of the lease term;
- Corresponding with the Bay Area Cities regarding a waiver request related to the long-term *de facto* transfer spectrum lease between the Bay Area Cities and the PSST;
- Researching issues related to the Bay Area Cities waiver request;
- Preparing a letter of support for the Bay Area Cities waiver request;
- Providing letters of consent regarding applications for secondary experimental operations on spectrum licensed to the PSST;
- Corresponding with parties regarding PLMN IDs; and

³ *Requests for Waiver of Various Petitioners to Allow the Establishment of 700 MHz Interoperable Public Safety Wireless Broadband Networks*, Order, 26 FCC Rcd 6783 (2011).

⁴ Year Two Budget Order.

- Preparing and submitting monthly financial reports to the PSHSB.

Please contact me directly with any questions.

Respectfully submitted,



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cc: David Furth
Jennifer Manner
Timothy Peterson



**Year #2 Lease Fee Summary
September 2011 – December 2011**

INCOME

Year #2 Administrative Fees Received.....	\$ 26,000.00
12/14/11 New Jersey \$ 13,000.00	
12/19/11 Oregon \$ 13,000.00	
New Citizens Bank Account Deposit (Aiken).....	\$ 100.00
TOTAL INCOME	\$ 26,100.00

EXPENSES

Year #1 Expenses over Lease Fee Receipts\$ **13,602.25**

September 2011

PSST Staff Hours.....	16.75 hours @ \$150.00.....	\$ 2,512.50
PSST Bookkeeping/Accounting.....		\$ 75.00
Legal Services		\$ 9,889.30
Telephone Conference Bridge.....		\$ 0
Miscellaneous Expenses		\$ 0

SEPTEMBER 2011 TOTAL\$ 12,476.80

October 2011

PSST Staff Hours.....	15.00 hours @ \$150.00.....	\$ 2,250.00
PSST Bookkeeping/Accounting.....		\$ 200.00
Legal Services		\$ 6,663.60
Telephone Conference Bridge.....		\$ 0
Miscellaneous Expenses		\$ 42.00

OCTOBER 2011 TOTAL.....\$ 9,155.60

November 2011

PSST Staff Hours.....	34.50 hours @ \$150.00.....	\$ 5,175.00
PSST Bookkeeping/Accounting.....		\$ 100.00
Legal Services		\$ 16,564.50
Telephone Conference Bridge.....		\$ 0
Miscellaneous Expenses		\$ 0

NOVEMBER 2011 TOTAL.....\$ 21,839.50

December 2011

PSST Staff Hours.....	16.50 hours @ \$150.00.....	\$ 2,475.00
PSST Bookkeeping/Accounting.....		\$ 475.00
Legal Services		\$ 3,901.50
Telephone Conference Bridge.....		\$ 0
Miscellaneous Expenses		\$ 1,248.91

DECEMBER 2011 TOTAL.....\$ 8,100.41

TOTAL EXPENSES\$ 65,174.56

02/17/2012